INTRODUCTION

Poverty and inequality are complex phenomena and their major dimensions and consequent policy implications deserve the attention of all concerned. A critical review of the academic research on these phenomena reveals a variety of perspectives. Major differences in this respect have characterised the discussions of the definition of poverty and its measurement on the one hand, and of the elaboration of the concept of inequality in the context of a developing economy on the other. Policy implications also differ in different studies, which is a natural outcome of the differences in approach. One of these approaches starts from the concept of subsistence level for arriving at the concept of poverty; the subsistence level is defined with some standard norm of nutrition. A second approach has been to use income and expenditure data for constructing a poverty line below which poverty will be said to exist. In this approach data relating to per capita income or expenditure are utilised to establish the concept of a poverty level. Broadly speaking, these two approaches distinguish the major studies on poverty undertaken in India.

Measurement of economic inequality can be regarded as one aspect of the wider problem of securing social equity and justice. In a sense it is perhaps the most important aspect of the broader concept. Economic inequality prevents the realisation of the goals
of social equity and justice. Economic justice becomes an important issue in the context of widespread poverty; the contrast becomes sharper when there exist small islands of affluence in an ocean of poverty. The studies on inequality in India generally use such standard measures as the Lorenz ratio though other more refined measures have also been used. Poverty and economic inequality can be regarded as the twin aspects of the same problem.

In India again the problem of poverty and inequality is further aggravated by caste stratification which is a prominent feature of her social and community life over and above the economic stratification as commonly found in capitalist economies.

The objective of this dissertation is very modest. It attempts to make a brief survey of the major studies on the measurement of poverty and inequality in India. At the outset the theoretical position in respect of the concepts of poverty and inequality has been explained, and subsequently the various Indian studies on the two topics have been analyzed. Thus the dissertation has been divided into five chapters. In the first chapter, we review economic theory relevant to the concepts of poverty and inequality. In the second chapter we deal with different measures that have been evolved for the study of poverty in India. In the third chapter we take a critical look at the studies made about economic inequality in India. The fourth chapter is devoted to an attempt to piece together the factors which the different studies
on poverty and inequality have shown to be the underlying causes of these disturbing phenomena. In the last chapter we have made a brief survey of the programmes adopted in India to launch a direct attack on poverty in the rural areas.